

BILL NO. BL2018-1279 (MENDES & SYRACUSE) – This ordinance would amend the definitions of “alternative financial services” and “financial institution” in Title 17 of the Metropolitan Code of Laws. This ordinance would also clarify that no more than one alternative financial services establishment may be located upon a single parcel.

The definition of “alternative financial services” would be amended to exclude an “industrial loan and thrift company” defined under state law to refer to businesses engaged in making loans and imposing interest rates and loan charges authorized under Title 45, Chapter 5 of the Tennessee Code Annotated and providing only the services authorized under that chapter. An “industrial loan and thrift company” would be included in the definition of “financial institution.”

The ordinance further amends the definition of “alternative financial institutions” to include any entity offering financial services that is *not* determined to be a “financial institution.” In other words, institutions could no longer claim to be in an unregulated “gray zone” not fitting either definition.

Additionally, the ordinance would address concerns arising from current distance requirements whereby “alternative financial institutions” must be 1,320 feet apart *measured from property line to property line*. Because that requirement would theoretically allow multiple alternative financial institutions to be located within a single parcel, the proposed text change would additionally prohibit more than one such institution on any single parcel.